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## **REPORT OF INDEPENDENT AUDITORS**

Board of Supervisors  
**County of York, Virginia**

We have audited the accompanying general purpose financial statements and the combining, individual fund, account group and component units financial statements of the **County of York, Virginia** (the "County"), as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Component Unit – Industrial Development Authority, which represents total assets of \$3,404,251, as of June 30, 2002, and total revenues of \$254,746 for the year then ended and the Mental Health Chapter X agency fund, which represents total assets of \$2,889,322, as of June 30, 2002, and total additions of \$9,779,713 for the year then ended. Those financial statements were audited by other auditors whose most recent reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Component Unit - Industrial Development Authority and the Mental Health Chapter X agency fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

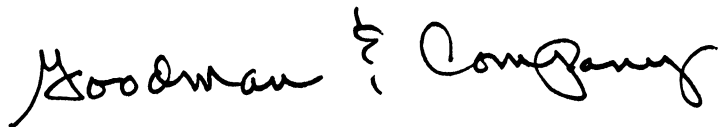
In our opinion, based our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund, individual account group and component units financial statements referred to above, other than the Component Unit – Industrial Development Authority and the Mental Health

Chapter X agency fund, whose financials statements were audited by other auditors whose reports expressed an unqualified opinion, present fairly, in all material respects, the financial position of each of the individual funds and account groups and component units of the County at June 30, 2002, and the results of operations of such funds and the cash flows of individual proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2002, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, account groups and component units financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, account groups and component units financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements and each of the combining, individual fund and individual account group financial statements taken as a whole.

The statistical schedules as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements, and we did not audit and do not express an opinion on such information.



Newport News, Virginia  
October 8, 2002

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